

22 May 2025

Hill & Smith PLC

Positive start to the year, full year expectations unchanged

Hill & Smith PLC ("Hill & Smith" or "the Group") the leading provider of solutions that enhance the resilience of vital infrastructure and the built environment, provides a trading update for the four-month period ("the period") to 30 April 2025, ahead of its Annual General Meeting to be held later today.

Trading and outlook

Trading in the period has been positive and in line with our expectations, reflecting continuing robust market demand for infrastructure solutions in the US and a resilient performance in the UK despite a subdued market backdrop. Revenue was 3% higher on a constant currency basis, with further operating margin expansion against a strong prior period comparator.

US Engineered Solutions delivered good growth in the period, driven by strong demand across our larger platform businesses. The division delivered an operating margin similar to the same period last year.

UK & India Engineered Solutions has seen an anticipated continuation of subdued demand in the UK, but with improved profitability driven by project activity and a focus on cost management and efficiency.

Galvanizing Services has seen a robust performance, reflecting a modest increase in US volumes, despite poor weather early in the year, and good volume growth in the UK.

Cash generation continues to be good and the Group's balance sheet remains strong, with significant headroom to support both organic and inorganic growth opportunities. Our M&A pipeline remains active.

Based on the positive start to the year, we continue to expect full year 2025 operating profit to be in line with current analyst consensus*.

Impact of tariffs

We continue to monitor the effects of tariff announcements on our businesses and supply chains however we are not currently seeing any significant impact.

With around 95% of our materials being sourced in the US and less than 1% of revenue from US exports, we have low direct exposure to the tariffs announced so far. Where raw material cost increases are coming through, our businesses have been able to mitigate this by raising prices. We have not seen any indication of reduced activity levels or delays to projects, supporting our confidence that the structural drivers for US infrastructure growth remain intact.

Financial calendar

Hill & Smith's interim results for the six months ending 30 June 2025 are scheduled to be announced on 13 August 2025.

** The current company compiled analyst consensus expectation for FY25 is for underlying operating profit of £150.3m with a range of £145.4m-£154.0m.*

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Notes to Editors

Hill & Smith PLC is a leading provider of solutions that enhance the resilience of vital infrastructure and the built environment. The Group employs c.4,500 people, with the majority employed by its autonomous, agile, customer focussed operating companies based in the UK, USA and India. The Group office is in the UK and Hill & Smith PLC is quoted on the London Stock Exchange (LSE: HILS.L).

The Group's operating companies are organised into three divisions:

- US Engineered Solutions
- UK & India Engineered Solutions
- Galvanizing Services

Our Engineered Solutions businesses manufacture and supply steel and composite solutions for a wide range of infrastructure end markets including power transmission and distribution, water and wastewater management, data centre construction, transport infrastructure, and other industrial construction.

Our Galvanizing Services operations, based in the UK and US, increase the sustainability and maintenance free life of steel products

including structural steelwork, lighting, bridges, and other products for infrastructure and construction end markets.

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